(a) whether Government have decided to create a Sugar Board to sort out issues relating to sugar;

(b) if so, whether the Prime Minister had also announced that Government would take steps to reinstate the periodic release mechanism of freesale sugar which was dismantled following an interim order of the Allahabad High Court;

(c) if so, to what extent the Sugar Board would help in sorting out the issues relating to sugar; and

(d) by when it is likely to be formed?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (d) There is no proposal under the consideration of the Government to create a Sugar Board. However, the Government have decided to implement the regulated release mechanism effectively.

Economic cost of FCI on wheat and rice

2374. DR. DASARI NARAYANA RAO: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Administrative Staff College of India, Hyderabad had recently submitted its report on ways and means to reduce economic cost of FCI on wheat and rice;

(b) if so, the details thereof; and

(c) what action Government have taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBASH MAHARIA): (a) Yes, Sir.

(b) The main findings and recommendations made in the Study Report of the Administrative Staff College of India, Hyderabad are given in the statement (*See* below).

(c) The recommendations made in the report are under examination.

Statement

The main findings and recommendations made in the Study Report of the Administrative Staff College of India, Hyderabad to suggest ways and means to cut down the administrative and economic cost of the Food Corporation of India are as under:—

1. FCI should be more cost conscious and prepare a cost budget for its operations.
2. FCI should take up measures for cost control and examine issues related to direct purchase of grains from the farmers which will save the payment of commission to the Arthiyas, use of cheaper HDPE/PP bags instead of gunnies, reduction in storage cost by reducing departmental labour and reverting to contract labour, reduction in transport costs by rationalizing road transport contracts, reduction in transit losses by introduction of a system of weighment of railway rakes, reduction in buffer carrying costs by permitting disposal of excess holding through market sales etc.
3. For making the FCI viable, the Government of India should give up control over any two of the three factors consisting of (i) fixation of procurement price; (ii) fixing of procurement quantity; and (iii) fixing of issue price.
4. The FCI should immediately implement a computerized Management Information System.
5. The system of physical verification of stocks by internal controls and outside agencies should be augmented.
6. the Railways should taken full responsibility of the consignments received for transport. They should not only issue a clear RR, but deliver the consignment in the same condition at the destination to the FCI, fulfilling the obligation of the Bailee under the Contract Act.
7. Financing of buffer stocks with borrowed funds from the Banking Sector should be done away with and the same should be financed through Government grant/equity.
8. Decentralized procurement should be encouraged.

9. The FCI may sell out all storage assets to the Central Warehousing Corporation which can become a prominent storage agency in the country.

10. The FCI should be given greater autonomy to carry out its operaitons.

11. The study has also recommended the "unbundling" of FCI operations either functionally or spatially. This could be achieved either by dividing FCI operations by handing over procurement to State Governments, distribution to the railways and physical verification and storage to CWC. An alternative would be to create State FCIs which will carry out all operations within the State. The Union FCI will only procure, hold and allocate buffer-stocks.

Allocation of BPL quota of wheat and rice to Gujarat

2375. PROF. ALKA BALRAM KSHATRIYA:
SHRI BACHANI LEKHRAJ:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government are allotting BPL quota of wheat and rice on the basis of 21.20 lakh BPL families instead of 35 lakh BPL families in Gujarat;

(b) if so, the reasons therefor; and

(c) whether Government propose to increase the monthly quota of BPL wheat and rice against the demand of the State?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBASH MAHARIA): (a) to (c) Yes, Sir. Under the Targetted Public Distribution System, allocation of foodgrains to all States/UT is being made as per the poverty estimates of the Planning Commission (1993-94) updated on the population projections of the Registrar General as on 01.03.2000, without exception. This criteria is being uniformly followed for all the States/UT and can not be altered in isolation.